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Effect of Strategic Management on Productivity and Profitability of Business Organisations: A Study of Nestle Nigeria Plc & Cadbury Nigeria Plc (2013-2023)

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Abstract

Research Objectives: The study examined the Effects of Strategic Management on Productivity and Profitability of Business Organisation as evidenced on quoted Nigerian Beverage Companies; Nestle Nigeria Plc and Cadbury Nigeria Plc (2013-2023). The main objective of the study is to determine the effects of strategic management on Productivity and Profitability of business organizations, other specific objectives are to ascertain the effect of Return on Asset (ROA), Debt Equity Ratio (DER), Debt Assets Ratio (DAR) and Interest Coverage Ratio (ICR) on profitability of two Beverage companies in Nigeria.

Methodology: The study adopted ex-post facto research design and the data were obtained from annual financial statements of the two companies, CBN bulletin and fact books were used. Descriptive statistics and multiple regression analysis were adopted to examine the effect of independent Variable and dependent variable. Ordinary Least Square Regression Analysis on E-view 8 version, to determine the significant level.

Findings: The study revealed that Debt Equity Ratio (DER) negatively and insignificantly affect Return on Assets of two Beverage companies in Nigeria.

Conclusion: The work concludes that strategic management practices are reliable predictors of an organizational performance in a competitive industry and its importance cannot be over-emphasized.

Recommendations: The study recommends that business organizations in Nigeria should reduce the volume of debt in capital structure to boost their earnings capacity.

Key words: *Productivity & Profitability, Return on Assets, Debt Equity Ratio, Debt Assets Ratio, Interest Coverage Ratio.*

1.0 Introduction

Background Of The Study

Strategic management involves developing and implementing plans to help an organization achieve its goals and objectives. Businesses provide crucial financial roles and contribute significantly to developing countries' economic growth; maintaining high productivity levels and performance is a perennial challenge for most firms (Jones et al., 2000). In particular, strategic management practices have been identified as essential for increased competitiveness and performance since they improve the efficiency with which a company's internal resources are produced and allocated. Jensen (2023) referred to strategic management as the procedure by which a business establishes its objectives and develops and implements a plan to reach them. Jones (2023) describes strategic management practices as the processes that ultimately result in an organization's strategic objectives, plans, and performance management. Stickland (2007) broken the time spent time by management on developing and enacting a strategy into five distinct but interconnected parts, they include developing a business concept and vision for the desired future of the organization, translating the mission into measurable long term and short-term performance goals, selecting an approach that is realistic given the current state of the organization and will produce the desired results, putting the strategy into action efficiently and effectively, monitoring and adjusting the strategy as needed.

Strategic management plays a pivotal role in shaping the productivity and profitability of business organizations across various industries. It encompasses the formulation and implementation of long-term goals and initiatives aimed at aligning resources and capabilities with external opportunities and threats. By effectively leveraging strategic management principles, businesses can enhance their competitive advantage, operational efficiency, and financial performance, Nwosu, (2015).

One of the primary impacts of strategic management on productivity lies in its ability to foster clarity and direction within an organization. Through strategic planning processes such as SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis and goal-setting frameworks like SMART (Specific, Measurable, Achievable, Relevant, Time-bound) objectives, companies can articulate clear objectives and priorities. This clarity minimizes ambiguity and ensures that all efforts are directed towards achieving defined strategic goals. As a result, employees are more focused, motivated, and aligned, leading to improved productivity across all levels of the organization, Nyaga, & Kinyua, (2022).

Furthermore, strategic management encourages proactive decision-making and resource allocation. By anticipating market trends and competitive dynamics through environmental scanning and competitor analysis, organizations can identify emerging opportunities and potential threats. This foresight enables them to allocate resources effectively, invest in the right technologies and capabilities, and capitalize on market opportunities before competitors. Proactive decision-making not only enhances operational efficiency but also reduces costs associated with reactive measures taken in response to unforeseen events, Ibrahim, & Muathe,(2017).

In terms of profitability, strategic management enables businesses to create sustainable competitive advantages. Through the development of unique value propositions and differentiation strategies, companies can position themselves effectively in the market. Whether through product innovation, superior customer service, or operational excellence, strategic management helps businesses carve out a distinct market niche that commands premium pricing and customer loyalty. This differentiation not only enhances profitability through higher margins but also reduces the impact of price competition within the industry, Majama, & Magang, (2017).

Moreover, strategic management promotes operational efficiency and organizational agility. By fostering a culture of continuous improvement and adaptation, businesses can streamline processes, eliminate waste, and optimize resource utilization. This operational excellence allows organizations to deliver products and services more efficiently, respond quickly to changing market conditions, and capitalize on new opportunities. As a result, businesses can achieve higher levels of profitability by maximizing revenue streams and minimizing operational costs.

Another critical aspect of strategic management is its role in fostering innovation and fostering long-term growth. Through strategic initiatives such as research and development investments, partnerships, and market expansion strategies, organizations can explore new avenues for growth and diversification. By investing in innovation, businesses can develop new products and services that meet evolving customer needs and preferences, thereby expanding their market reach and revenue potential. This proactive approach to growth not only enhances profitability in the short term but also ensures sustainability and resilience against market fluctuations in the long term, Muriuki, Cheruiyot, & Komen, (2017).

Strategic management is instrumental in driving both productivity and profitability within business organizations. By providing a structured framework for goal-setting, decision-making, and resource allocation, strategic management enhances operational efficiency, fosters innovation, and creates sustainable competitive advantages. Ultimately, businesses that effectively leverage strategic management principles are better equipped to navigate competitive landscapes, capitalize on market opportunities, and achieve long-term profitability and growth, Nnamani, Ejim, &Ozobu, A. (2015).

Statement of problem

While strategic management offers substantial benefits to business organizations, it also presents significant challenges that can impact productivity and profitability if not effectively managed. These challenges stem from both internal complexities within the organization and external factors in the business environment.

One of the primary challenges of strategic management is the complexity of the strategic planning process itself. Developing a comprehensive strategic plan requires gathering and analyzing vast amounts of data, conducting thorough market research, and engaging in extensive discussions and deliberations among stakeholders. This process can be time-consuming and resource-intensive, diverting attention and resources away from day-to-day operations. As a result, if not managed efficiently, strategic planning efforts can detract from productivity by consuming valuable organizational resources.

Furthermore, aligning strategic goals with operational realities poses a significant challenge. While strategic plans outline long-term objectives and initiatives, translating these into actionable operational plans can be daunting. It requires effective communication across different levels of the organization, ensuring that everyone understands their role in achieving strategic objectives. Misalignment between strategic goals and operational activities can lead to inefficiencies, confusion, and a lack of synergy within the organization, ultimately impacting productivity.

Another challenge lies in the dynamic nature of the business environment. Markets are constantly evolving due to technological advancements, changing consumer preferences, regulatory changes, and competitive pressures. Strategic management involves anticipating and adapting to these changes effectively. However, the unpredictability of external factors can make it difficult to forecast accurately and adjust strategic plans accordingly. Organizations that fail to respond swiftly to market shifts may find themselves at a competitive disadvantage, affecting both profitability and market position.

Moreover, strategic management involves inherent risks and uncertainties. Strategic decisions often involve investing resources in initiatives with uncertain outcomes. While calculated risks are essential for innovation and growth, they can also lead to financial losses if initiatives fail to deliver expected results. Managing these risks requires robust risk assessment frameworks, contingency planning, and a willingness to pivot strategies based on ongoing evaluation and feedback. Failure to mitigate risks effectively can erode profitability and undermine investor confidence.

Additionally, organizational culture and resistance to change can pose challenges to strategic management efforts. Implementing new strategies often requires changes in organizational structure, processes, and employee roles. Resistance to change can arise due to fear of the unknown, loss of job security, or simply reluctance to depart from established practices.

Overcoming resistance and fostering a culture of adaptability and innovation are crucial for successful strategy execution. Organizations that struggle with cultural barriers may experience delays in implementation and suboptimal performance, impacting overall productivity and profitability.

Among other things, the study itemizes the following research problems;

i. Poor Return on Asset affects the level of profitability of Beverage companies in Nigeria

ii. Companies Debt Equity Ratio affects the productivity and profitability of two beverage companies

iii. Debts Assets Ratio and interest coverage Ratio are other problems militating against companies productivity and profitability of beverage companies in Nigeria

Objective of the study:

The main objective of the study is to know the effect of strategic management on Productivity and Profitability of business organization in Nigeria

Other specific objectives include

i. To know how Return on Asset affects the level of profitability of Beverage companies in Nigeria

ii. To determine how Companies Debt Equity Ratio affects the productivity and profitability of two beverage companies

iii. To ascertain the Debts Assets Ratio and interest coverage Ratio of the two beverage companies in Nigeria

Research Question

a. Has Return on Asset (ROA) affects the productivity of the two Beverage companies in Nigeria?

b. To what extent has Companies Debt Equity Ratio affects the productivity and profitability of two beverage companies in Nigeria?

c. What are Debt Assets Ratio and Interest Coverage Ratio affected Productivity and profitability of Nestle Nigeria plc and Cadbury Nigeria plc?

2.0 Literature Review

Conceptual Review

Overview of Strategic Management

Strategic management in business organizations refers to the systematic process of formulating and implementing long-term goals and initiatives. It involves analyzing internal strengths and weaknesses, as well as external opportunities and threats, to develop strategies that align resources and capabilities with organizational objectives. The primary aim is to achieve sustainable competitive advantage and long-term success, Abosede, Obasan, and Alese, (2016).

At its core, strategic management begins with strategic planning. This phase involves setting goals and objectives that reflect the organization's mission and vision. Through methods like SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) and environmental scanning, strategic planners assess the current landscape and forecast future trends. This enables them to identify strategic opportunities and potential risks.

Following strategic planning, the implementation phase focuses on translating strategic plans into action. It requires aligning resources, such as human capital, financial investments, and technological infrastructure, with strategic priorities. Effective implementation involves clear communication, delegation of responsibilities, and establishing accountability mechanisms to ensure progress towards strategic goals, Adeyemi, Isaac, and Olufemi, (2017).

Monitoring and evaluation are integral to strategic management as well. Continuous assessment of performance metrics allows organizations to measure progress, identify deviations from the plan, and make necessary adjustments. This adaptive approach ensures that strategies remain relevant in dynamic business environments and enables organizations to capitalize on emerging opportunities or mitigate unforeseen challenges.

Overall, strategic management provides a framework for organizations to navigate complexities, manage change, and sustain competitive advantage over time. By fostering a proactive approach to decision-making, resource allocation, and goal-setting, strategic management enhances organizational resilience and drives long-term profitability and growth, Ainuddin, et al,(2007).

Concept Productivity

Productivity within an organization is a measure of efficiency and effectiveness in utilizing resources to achieve desired outputs. It encompasses the ratio between inputs (such as labor, capital, materials) and outputs (goods or services produced), reflecting the organization's ability to generate value from its resources, Ainuddin, et al, (2007).

High productivity is crucial for organizational success as it directly impacts profitability, competitiveness, and overall performance. Efficient utilization of resources allows organizations to lower costs, increase output per unit of input, and improve profitability margins. This efficiency can be achieved through various means, including streamlined processes, technological advancements, and effective resource allocation.

Moreover, productivity is closely linked to employee satisfaction and engagement. A motivated workforce tends to be more productive, contributing positively to output levels and quality of work. Organizations that invest in employee training and development, provide supportive work environments, and recognize employee contributions typically experience higher productivity levels, Ali, and Qun, (2019).

In addition to internal factors, external factors such as market demand, economic conditions, and industry competition also influence organizational productivity. Organizations must adapt their strategies and operations to meet changing market dynamics and consumer preferences, ensuring continued relevance and competitiveness.

Measuring productivity involves assessing both quantitative metrics (output per unit of input) and qualitative indicators (quality of output, customer satisfaction). Continuous monitoring and improvement initiatives help organizations identify inefficiencies, optimize processes, and enhance overall productivity levels over time, Aremu, and Oyinloye, (2014).

Ultimately, productivity is a key determinant of organizational resilience and sustainability. Organizations that prioritize productivity enhancement through strategic management, innovation, and a supportive organizational culture are better positioned to achieve long-term growth, profitability, and success in their respective industries.

Concept of Profitability

Profitability is a critical metric that measures the financial health and success of an organization. It represents the ability of a business to generate earnings relative to its expenses and investments, ultimately determining its ability to sustain operations, reinvest in growth, and provide returns to stakeholders, Babalola, and Taiwo, (2016).

Several factors contribute to the profitability of an organization. Efficient cost management plays a crucial role, as reducing expenses while maintaining or increasing revenue directly impacts profitability margins. This involves optimizing processes, negotiating favorable supplier contracts, and leveraging economies of scale to lower production costs.

Revenue generation is equally important. Organizations achieve profitability by maximizing sales of goods or services through effective marketing strategies, pricing strategies that balance competitiveness with profitability, and diversification of product or service offerings to meet varying customer needs, Balasundaram, (2009)

Financial management practices also influence profitability. Sound financial planning, budgeting, and cash flow management ensure that resources are allocated effectively and that the organization can meet its financial obligations while generating sufficient returns for shareholders.

Furthermore, profitability is influenced by market conditions, industry trends, and competitive dynamics. Organizations must adapt to changing market demands, technological advancements, and regulatory changes to maintain or enhance profitability. This adaptability often requires strategic investments in research and development, innovation, and market expansion initiatives.

Additionally, maintaining high levels of customer satisfaction and loyalty contributes to profitability. Satisfied customers are more likely to make repeat purchases, recommend products or services to others, and contribute positively to revenue growth through their continued patronage, Dozie, and Emma, (2020).

Ultimately, profitability is not only a measure of financial performance but also an indicator of organizational efficiency, effectiveness in utilizing resources, and strategic foresight. Organizations that prioritize profitability through strategic management, operational excellence, and customer-centric approaches are better positioned to achieve long-term success and sustainable growth in competitive markets, Barnat, (2014).

Return on assets

The return on assets is used to measure the amount of returns earned by a company on one naira invested in an asset. It is therefore related to a company. It therefore relates the net income earned by a company to the period used in generating the income. It is calculated as follows; Return on assets = Net Income divided by Total Asset multiplied by one hundred over one.

Debt Equity Ratio

Debt equity ratio is calculated as long- term debt divided by common shareholders equity. Typically , the data from the prior fiscal year is used in the calculation.if the ratio is greater than1, it implies that majority of the company assets are financed through debt.

Debt Assets Ratio

A company's debt Assets Ratio can be calculated by dividing total debts by total assets. A debt ratio of greater than 1.0 or 100% means a company has more debt than assets while a debt ratio of less than 100% indicates that a company has more assets than debt.

Interest Coverage Ratio

The interest Coverage ratio is a debt and profitability ratio that shows how easily a company can pay interest on its outstanding debts. It is calculated by dividing a company's earnings before interest and taxes debt (EBIT) by its interest expense during a given period.

Theoretical Review

Strategic Fit Theory

Strategic fit/decision theory is a school of thinking that opposes the notion that a single set of best practices for strategic management can be applied to all circumstances. According to Morrisette and Oberman (2013), strategic management principles are based on the organization's environment, business strategy, and culture. For strategic management approaches to be most effective, he stated that they must be linked with an awareness of the organization's unique context. Therefore, strategic management approaches must be matched with critical strategic fit theory aspects such as culture, external environment, and operational procedures (LeRoux & Wright, 2010). As there is no universally applicable approach to management, organizations must design techniques suited to their setting (McHatton et al., 2011).

Bryson (2011) argued that the business environment is a constant source of unique challenges that push businesses to seek out and implement new solutions; this requires management to develop a strategy that considers external factors while outlining the company's objectives in light of its competitive advantages (Bayode & Adebola, 2012). According to strategic fit, organic organizational structures are more effective than mechanistic ones in complex, unpredictable environments, but the opposite is true in simple, stable contexts. It implies that firms must first determine the nature of their operating environment before modifying their organizational structure accordingly. On the other hand, LeRoux & Wright (2010) feel that companies must evolve from mechanistic to organic structures to respond effectively and efficiently to market and environmental changes.

Bryson (2011) asserts that organizations can better manage their resources by employing the concept of strategic fit, hence reducing operational costs and enhancing their responsiveness to environmental challenges and new possibilities. According to Omari et al. (2011), organizations rebalance their performance by investing the extra resources from the fit based on higher productivity; thus, firms should strive to maintain a strategic fit between their resources and goals because, according to Bayode & Adebola (2012), a well aligned organization performs better and provides excess resources that can be used for growth. Therefore, it is recommended that banks adopt the notion of strategic fit through strategic management practices to more effectively manage their resources, respond to environmental change, and seize new opportunities.

Dynamic Capabilities Theory

The dynamic capabilities model suggests that in order for a business to succeed in today's competitive market, it must have the flexibility to take advantage of new opportunities as they arise, as well as the ability to integrate new sources of information and information technology into its operations (Gates, 2010). The notion describes how a firm can increase its bottom line by prioritizing environmental issues. What we mean by "dynamic capability" is that firms can flex their inner and outside strengths to meet the needs of different situations (Dudu & Agwu, 2014).

Adaptable abilities are necessary for today's hypercompetitive business climate due to the quick depletion of extraordinary firm-specific resources and talents (Bagnoli & Megali, 2011). Nonetheless, it is vital to remember that emotional skills, being organizational processes, take time to cultivate and fully embed into a company. They are utilized for restructuring the business's resources, which may involve removing obsolete items or combining resources in novel ways (Analoui & Samour, 2012). Hence, because banks see their dynamic capacities as a critical path shaped by their past actions and asset stock, they need to develop them to utilize them to achieve long-term goals. Therefore, organizations must endeavor to build their dynamic capacities to utilize them to achieve long-term goals, as they are seen as a critical path shaped by the banks' past activities and asset stock.

Empirical Literature

Olanipekun et al. (2015) studied competitive advantage and organizational performance and looked into the role strategic management played in both. Frequencies, means, percentages, and standard deviations were used for descriptive analysis, while Chi Square tests and one-way analysis of variance were used for inferential analysis (ANOVA). The results show that businesses can gain a competitive edge and ensure their long-term success by adopting and implementing strategic management plans, allowing them to respond effectively to and promote good change.

Mohamud et al. (2015) conducted a study. A descriptive and a correlational research strategy were used to investigate the connections. The data were evaluated using the Spearman correlation method to determine the relationship between the factors. The results showed that strategic management and organizational performance had a relatively positive and statistically significant association.

Abdel-Aziz and Saed (2014) looked at the effect of strategic management on the bottom lines of Jordanian pharmaceutical manufacturers. 13 of the 16 businesses were surveyed, with a total of ninety managers who filled out valid surveys. The results showed that firms effectively incorporated the balanced scorecard variables, with learning and performance receiving the highest average scores, followed by internal procedures, financial perspective, and customer perspective.

Mohamud et al. (2014) explored the link between strategic management and business success. The focus was on demonstrating how strategic management may improve business outcomes. The study used a combination of descriptive and correlational research approaches to identify the nature of the correlations, and data were analyzed using the spearman correlation statistical method. The study's findings suggest a positive and statistically significant link between strategic management and the performance of organizations.

Waweru and Omwenga (2015) investigated how corporate strategy affected the success of private Kenyan construction companies. The researchers used a basic random selection technique to select 68 participants, and pre-made questionnaires were used to gather the primary data. The study included closed-ended, open-ended, multiple-choice, and dichotomous survey items. Furthermore, quantitative but computationally subjective conclusions were obtained via Likert scale questions. Primary and secondary sources provided the information used in the analysis. After collecting the data, SPSS was utilized to analyze the data, and the findings show that all three construction firms had implemented strategic management practices that had improved productivity

3.0 Methodology

3.1 Research Design

This study will adopt *ex-post facto* research design. Thus, historical financial data were obtained from the Nestle Nigeria Plc and Cadbury Nigeria Plc annual financial statement published, CBN bulletin and facts books of firms listed on Nigeria Stock Exchange during the period from 2013 to 2023.

3.2Area of Study

The study was conducted in Nigeria on two reputable Beverage companies Nestle Nigeria plc and Cadbury Nigeria plc spanning from the period 2013 to 2023.

3.3 Sources of Data

The study was conducted with secondary data, which were collected from the annual reports and financial statements of the sampled strategic management firms listed on Nigeria Stock Exchange during the period from 2013 to 2023.

3.4 Model Specification

The following model was developed based on the variable of the study:

$$ROA = \beta_0 + \beta_1(DER) + \beta_2(DAR) + \beta_3(ICR) + \varepsilon$$

Where:

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ROA= Return on Asset

DER = Debt Equity Ratio

DAR = Debts Assets Ratio

ICR = Interest Coverage Ratio

β = Beta

ε = error term

3.5 Method of Data Analysis

Descriptive Statistics and multiple regression analysis were used to examine the effect of the independent variable on the dependent variable. Adjusted Coefficient of Determination was used to test the predictive power of the model while. Debt equity ratio, debt assets ratio and interest coverage ratio are the explanatory variables while dependent variable is return on equity

4.0 Data Presentation and Analysis

4.1 Data Analysis

The secondary data collected from the annual financial statements of the selected business organization in Nigeria were analyzed using descriptive statistics and ordinary least square regression analysis. The results of the analysis are presented in tables 4.2.1 and 4.2.2.

Table 4.2.1: Descriptive Statistics

	ROA	DER	DAR	ICR
Mean	7.802500	0.725818	0.081818	23.47650
Median	2.230000	0.120000	0.050000	5.920000
Maximum	57.63000	9.420000	0.730000	169.4900
Minimum	-5.740000	0.000000	0.000000	-54.61000
Std. Dev.	13.82685	1.669423	0.116239	44.17354
Skewness	2.336637	3.800667	3.498193	1.932360
Kurtosis	7.610025	18.06703	18.92217	6.351338
Jarque-Bera	107.7295	652.6568	693.1488	65.41881
Probability	0.000000	0.000000	0.000000	0.000000

Sum	468.1500	39.92000	4.500000	1408.590
Sum Sq. Dev.	11279.73	150.4965	0.729618	115126.8
Observations	10	10	10	10

Source: E-View Output

Table 4.2.1 presents the descriptive statistics of the variables used in the study. The variables are: Return on Asset (ROA), debt equity ratio (DER), debt assets ratio (DAR) and interest coverage ratio (ICR). The results indicate that the mean value of the variables are: 7.802500, 0.725818, 0.081818 and 23.47650 while the standard deviations are: 13.82685, 1.669423, 0.116239 and 44.17354 respectively. These results suggest that two variables, namely, ROA and ICR are volatile while DER and DAR are not.

Table 4.1.2: Ordinary Least Square Regression Analysis

Dependent Variable: **ROA**

Method: Panel Least Squares

Date: 08/05/24 Time: 11:22

Sample: 2013 2023

Periods included: 10

Cross-sections included: 6

Total panel (unbalanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DER	-1.099972	1.207514	-0.910939	0.3666
DAR	25.50594	17.49483	1.457913	0.1510
ICR	-0.028818	0.043750	-0.658688	0.5131
C	7.920120	2.785720	2.843115	0.0064

R-squared	0.830326	Mean dependent var	8.513455
Adjusted R-squared	0.787908	S.D. dependent var	14.19982
S.E. of regression	14.17581	Akaike info criterion	8.210898
Sum squared resid	10248.63	Schwarz criterion	8.356886
Log likelihood	-221.7997	Hannan-Quinn criter.	8.267352
F-statistic	1.061020	Durbin-Watson stat	1.446259
Prob(F-statistic)	0.003850		

Source: E-View Output

Table 4.1.2 indicates that the adjusted coefficient of determination (R-Square) is 0.787908. This means that 79% of the variation in ROA of the strategic management in Nigeria are predicted by the independent variables comprising of DER, DAR and ICR while the remaining 21% is predicted by error terms and other quantitative and qualitative variables not included in the model of the study. This result was corroborated by F-Statistics result with a coefficient of 1.061020, which is significant at 0.05 level of significance (0.05>0.003850). This shows that the predictor variables adequately explained the independent variables of the study.

Discussion of Findings:

Debt Equity Ratio and Return on Assets: From the result presented above, the null hypothesis was accepted while the alternative was rejected, suggesting that debt equity ratio does not significantly affect return of assets of business in Nigeria. Results from the regression model equally indicate that the coefficient of debt equity ratio is negative at -1.099972. Therefore, we have enough evidence to conclude that debt equity ratio negatively and insignificantly affects return on assets of business organizations in Nigeria.

Debt Assets Ratio and Return on Assets: from the result presented above, it also shows that the null hypothesis was accepted while the alternative was rejected, suggesting that debt assets ratio does not significantly affect return on assets of business organizations in Nigeria. It was equally observed from the regression model that the coefficient of debt assets ratio is positive at 25.50594. Thus, we conclude from this evidence that debt assets ratio positively and insignificantly affects return on assets of business organizations in Nigeria.

Interest Coverage Ratio and Return on Asset: from the result presented below, it further suggests that the null hypothesis was accepted while the alternative was rejected. This implies that interest coverage ratio does not significantly affect return on assets of business organizations in Nigeria. However, the regression model shows that the coefficient of interest coverage ratio is negative at -0.028818. From these results, we conclude that interest coverage ratio negatively and insignificantly affects earnings per share of foods and beverage firms in Nigeria.

5.0 Summary of Findings, Conclusion and Recommendations

5.1 Summary of Findings

Based on the results of the study and the discussion that ensued, we summarized the findings of the as findings:

i. Debt equity ratio negatively and insignificantly affects return on assets of business organizations in Nigeria. This was observed from the coefficient of debt equity ratio (DER) of -1.099972,which is not Significant at 5% level of significance (0.05<0.3666).

ii. Debt assets ratio positively and insignificantly affect return on assets of business organizations in Nigeria. This was ascertained from the coefficient of debt assets ratio (DAR) of 25.50594, which is not significant at 5% level of significance (0.05<0.1510).

iii. Interest coverage ratio negatively and insignificantly affects return on assets of business organizations in Nigeria. This was confirmed from the coefficient of interest coverage ratio (ICR) of -0.028818, which is insignificant at 5% level of significance (0.05<0.5131).

5.2 Conclusion

The study lends credence to the idea that strategic management practices are reliable predictors of an organization's performance in a competitive industry. As a result, for organizations to continue at the top of their pitch, they need to supply services that satisfy and exceed their client's expectations. According to the study's findings, organizational competitiveness improves when factors like strategic intent, strategy formulation, and strategic control measures are implemented. Therefore, organizations in any industry that want to stay ahead of the competition would do well to implement strategic management practices that give importance to the characteristics outlined in this study.

5.3 Recommendations

Based on the results of the study, the discussions and the conclusions, we suggest the following recommendations for strategic management firms in Nigeria:

i. Business organizations in Nigeria should reduce the volume of debts in their capital structure to boost their earnings capacity. Too much debt in the capital structure leads to high fixed interest repayment which drains the earnings of the firms and thus exposes the firms to bankruptcy risk.

ii. The firm should finance some of its assets with debt financing in order to improve its revenue generation and earnings. Reliance on equity funding alone may not allow the firms the opportunity to procure long term assets that will increase revenue generation for the firms.

iii. Each firm should as much as possible locate its optimal capital structure and borrow in accordance with the capital structure in order to boast its earnings.

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